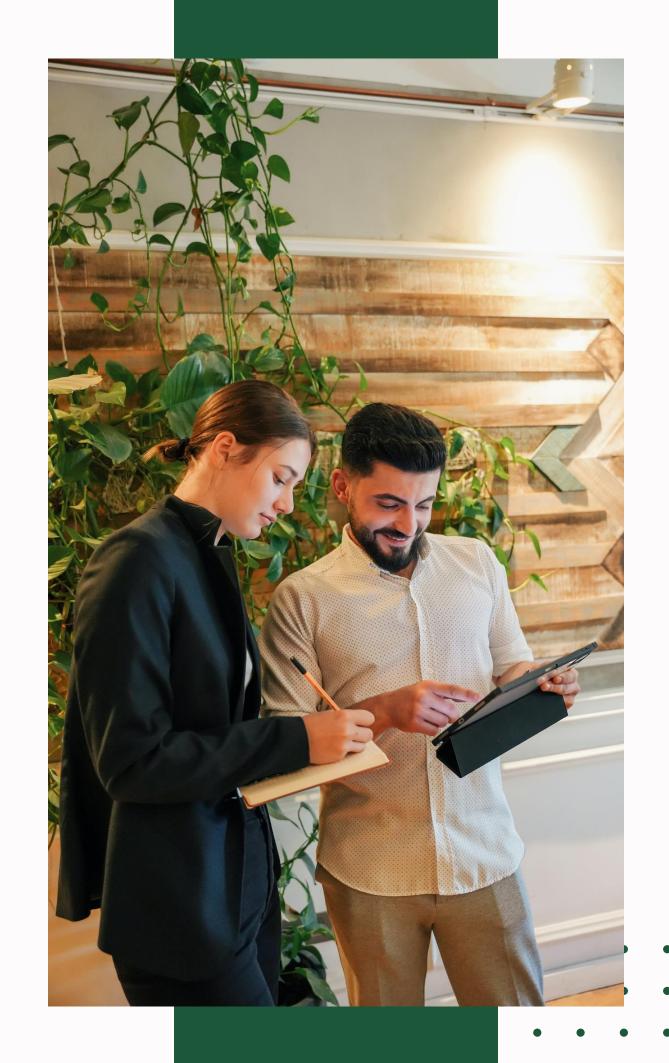


## Cannabis Legalization in Maryland

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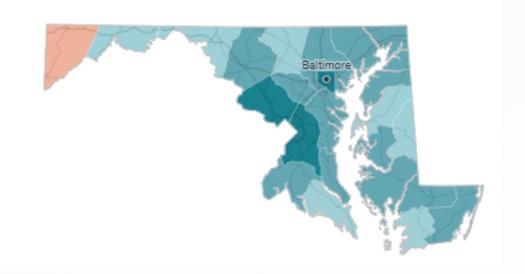


## Question 4: Adult-use Legalization

**Question**: "Do you favor the legalization of the use of cannabis by an individual who is at least 21 years of age on or after July 1, 2023, in the State of Maryland?"

- (a) Subject to subsection (b) of this section, on or after July 1, 2023, an individual in the State who is at least 21 years old may use and possess cannabis.
- (b) The General Assembly shall, by law, provide for the use, distribution, possession, regulation, and taxation of cannabis within the State.

Latest results from Dec. 8		100% OF VOTES IN
Answer	Votes	Pct.
✓ For	1,302,188	67.2%
Against	635,582	32.8
Total reported	1,937,770	



## What was the impact of the referendum?

Effective July 1, 2023, individuals 21 years or older may:

- Legally possess up to (1) 1.5 ounces of flower, (2) 12 g of cannabis concentrate, or (3) 750 mg delta-9 THC; and
- Grow up to two cannabis plants in their residence (indoors, in secure area, out of public view)

By July 1, 2024, DPSCS must "expunge" all cases in which possession of cannabis is the only charge (possession of less than 10 g)

### **Establishes the following:**

- Cannabis Public Health Fund and Cannabis Public Health Advisory Council
- Cannabis Business Assistance Fund
- Community Reinvestment and Repair Fund



# WHAT IS THE CANNABIS REFORM ACT?

In April 2023, Maryland General Assembly passed HB 556/SB 516, emergency legislation that authorizes adult-use sales beginning on <u>July 1, 2023</u>. Other major bill provisions include:

- Establishing the Maryland Cannabis Administration (MCA) to license and regulate the new industry.
- Authorizing existing medical cannabis operators to "convert" their licensed to medical- and adult-use licenses by paying a conversion fee.
- Allocating conversion fees to the Community Reinvestment and Repair Fund for the purpose of funding community initiatives in jurisdictions and regions that have been disproportionately impacted by cannabis prohibition and cannabis-related arrests.
- Authorizing MCA to award standard and micro licenses to grow, process, and dispense cannabis across at least three licensing rounds.
- Establishing new license categories, including on-site consumption and incubator space licenses.
- Evaluating license applications on a pass-fail basis and placing all eligible applicants into a lottery for award of licenses.

# WHAT DOES THIS MEAN FOR PATIENTS AND CONSUMERS?



- Continue to purchase <u>tax-free</u> cannabis (with written certification and MCA registration)
- Continue to have <u>access to higher dosage items</u>, which will be restricted for adult consumers
- Dispensaries will have <u>dedicated patient hours and/or dedicated</u>
   <u>lanes</u> to prioritize medical patients
- Ability to purchase up to 120 grams per month
- Medical patients registered with the Maryland Cannabis
   Administration can cultivate two additional plants, for a total of four plants; not to exceed more than four plants in a given residence.



#### Adult-Use

- On July 1st, a person may purchase cannabis or cannabis products from a licensed dispensary with a government-issued photo ID that demonstrates they are 21 years or older.
- On July 1st, adults 21 or older may possess up to 1.5 ounces of cannabis flower (42.5 grams), 12 grams of concentrated cannabis, or a total amount of cannabis products that does not exceed 750 mg THC. This amount is known as the "personal use amount."
- Adult-use Cannabis products will be subject to a <u>9 % sales tax</u>
   (the same as alcohol)





\*Note the first round will be exclusively for applicants who qualify as a social equity applicant



### On or After May 1, 2024

MCA announces Round 2 for standard and micro cannabis licenses, including on-site consumption licenses.



### **By January 1, 2024**

MCA begins to award conditional cannabis licenses



#### Fall/Winter 2023

MCA reviews applications and conducts a lottery for Round 1 applicants



### Fall 2023

30-day application period for individuals and businesses interested in applying for a standard or micro cannabis license in Round 1.



#### July-August 2023

The Maryland Cannabis Administration (MCA), in partnership with the new Office of Social Equity, will conduct outreach, training, and guidance on the application process for individuals interested in obtaining a cannabis license



#### July 1, 2023

Existing Maryland medical cannabis businesses who chose to convert will be authorized to cultivate, manufacture, or dispense cannabis or cannabis products for consumers 21 years of age or older.



### Regulatory Structure

Cannabis Public Health Advisory Council

Medical and Adult-use Advisory Board



**Governor Moore** 

Maryland Cannabis Administration Alcohol, Tobacco, and Cannabis Commission

Office of Social Equity

## Maryland Cannabis Administration

- Independent state agency led by a Director appointed by the Governor
- Authorized to award an additional 500+ cannabis licenses across grower, processor, dispensary, incubator, and on-site consumption categories

### Primary cannabis-related responsibilities:

- 1. License cannabis growers, processors, and dispensaries, register ancillary businesses, patients, caregivers, certifying providers and clinical directors
- 2. Inspect businesses and laboratories for compliance with regulatory requirements
- 3. Hold administrative hearings and levy penalties
- 4. Troubleshoot any patient registration/access issues
- 5. Promulgate and implement all programmatic regulations, including establishing health and safety standards for the cultivation, manufacture, and sale of cannabis
- 6. Educate stakeholders on cannabis; laws and regulations governing its cultivation, manufacture, and sale; and safe and responsible use

## Alcohol, Tobacco and Cannabis Commission

- Independent commission led by an Executive Director appointed by the Governor
- Commission made up of 7 members (one with cannabis research and policy experience) who develop best practices for regulating the cannabis industry and implementing public health measures relating to cannabis
- Field enforcement division consists of sworn law enforcement officers

### Primary cannabis-related responsibilities:

- 1. Conduct enforcement against unlicensed operators importing, manufacturing, transporting or distributing cannabis in the State
- 2. Enforce any aspect of Title 36, Alcoholic Beverages and Cannabis Article, as authorized by MCA through an MOU.
- 3. Make recommendations to MCA on how best to safely and securely regulate the adult-use cannabis industry.

### Advisory Bodies

### **Cannabis Public Health Advisory Council**

- Must study and make recommendations regarding cannabis regulation to the General Assembly, including data-driven approaches on:
  - · Best practices and promotion of public health and preventing youth use, misuse and addiction
  - Data collection and reporting that measures the impact of cannabis consumption and legalization
  - Impact of cannabis legalization on health of individuals < 21
  - Initiatives to prevent cannabis use by individuals < 21, including school-based programs
  - · Public health campaigns on advertising, labeling, product testing, and quality control
  - Training for healthcare providers
  - Any other issues that advance public health related to cannabis use and legalization
- Made up of elected officials, executive agency officials (MDH, MDA, etc.) and public health and cannabis subject matter experts

### **Advisory Board on Medical and Adult-use Cannabis**

- Consider all matters presented to it by the MCA or General Assembly
- Provide recommendations to MCA and General Assembly on cannabis rules and regulations
- Made up primarily of industry stakeholders (licensees, testing labs, healthcare providers, advocates)



### Howard County

Currently, seven (7) licensed cannabis dispensaries are operating in Howard. Each converted their licenses to a medical and adult-use license.

• In Round #1 MCA is authorized to award up to 80 additional dispensary licenses statewide. Based on population and market demand, Howard may be eligible for up to 3 additional dispensaries.

Currently, one (1) grower and processor is operating in Howard County. This business converted its license to a medical and adult-use license.

· Additional grower and processor awards will be made by geographic region, not county.

#### Additional local considerations:

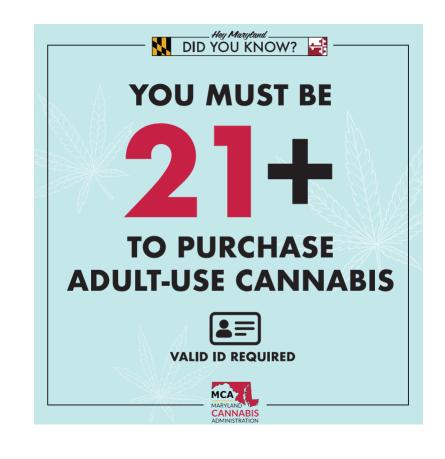
- May establish reasonable zoning requirements (cannot prohibit)
- Receive 5% of the cannabis tax revenue, with allocations being made based on the percentage of revenue collected from that county (more dispensaries = greater share of revenue)
- May not impose licensing, operating, or other fees that are disproportionately greater than those imposed on other businesses
- May not impose a local tax on cannabis



### Public and Consumer Education

- Began "Hey Maryland, Did You Know?" Campaign in late-March
- Focus was radio/TV ads in the Baltimore area; digital media available at <u>cannabis.maryland.gov</u>
- Point-of-Sale materials distributed to all licensed dispensaries this month
- Broader public education campaign (radio, tv, social media) beginning before July 1. Focus is on impaired driving, purchase and possession limits, and safe and responsible use.









### **Additional information**

cannabis.maryland.gov

### **Questions?**

policy.mmcc@maryland.gov

OR

Phone: 410-487-8100 or 1-844-421-2571